

Merseylink Bus Service

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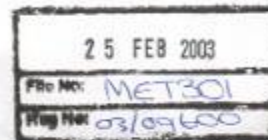
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Commissioner
Government Prices Oversight Commission
GPO Box 770
HOBART TAS 7001

Dear Sir



Thank you for the opportunity of commenting on Metro's service delivery.

The following comments are presented for your consideration:

Effectiveness of Metro's Service Delivery

Metro provide efficient and effective services throughout Hobart, Launceston, Burnie and Ulverstone. However because of financial constraints Metro cannot expand services or integrate other services. The current agreement between Metro and Government appears to pick up the company's deficit but provides little incentive for Metro to expand its operations or to integrate with other operators.

CSA Agreements and Incentives

The current funding does not increase with passenger numbers. The private industry increase revenue as increases in passenger levels occur.

It appears that Metro would be better off by opting for a top up system similar to the Private Sector or negotiating a flat rate contract with Government.

A contract could be negotiated similar to that applying with the Merseylink contract (Based on the Booze Hamilton Bus fares modelling report)

The current arrangement does not allow Metro any flexibility.

Return on Capital / Profit versus "break even" funding.

Metro's contract should allow for a commercial return in order for it to expand and develop new routes and incentives.

There are many areas within the state where community services are required, but because of a lack of funding Metro is unable to purchase existing services and expand existing services.

Over the years there has been considerable advances in bus technology and Metro has been prevented from introducing this technology because of a lack of funding.

It is only recently that Metro have purchased DDA Standard ultra low floor buses. It is still using the old outdated Crouzee ticketing system.

Integration of Public Transport Systems

Merseylink has been discussing with Metro the introduction of an integrated bus service between Devonport and Ulverstone.

My company has undertaken a good deal of research into this proposal and has taken a preliminary step by purchasing an Ulverstone Student Transport Service.

Metro has been helpful in the program but has not advanced the proposal any further. We believe this may be due to a lack of funding or lack of Government interest in the project.

Metro need to do more in the area of integration with private bus operations and should be encouraged to do so.

Student Concession Fares

The current position in relation to fares on public passenger services is ludicrous.

The fare regime is \$1.20 on Metro services in Hobart, Launceston, Burnie, Wynyard, Ulverstone and Merseylink in Devonport. In areas other than these the regime is 60 cents in urban areas and 30 cents in rural areas.

The fares for Metro and Merseylink are determined by GPOC from time to time taking into account I assume cost of living increases.

The Private operator fare regime has not been changed since 1990.

The position is one of total chaos as students living in the same street travelling to different schools can be carried free, pay a 60 cent fare or pay a \$1.20 fare.

The Government would be better advised to revert to the old system of aligning private fare paying services with Metro fares. Alternatively the Government could define Urban areas and rural areas and have an urban fare the same as the Metro fare and a nominal rural fare.

To class Wynyard as a Urban area (ie where students pay 60 cents) and Ulverstone as a rural area does not reflect logic.

In any event to leave private bus fares unmoved for 13 years is not practical and defies the user pays principal.

Metro Index

Any index is unsuitable if the base is ill conceived. What Metro needs is for its base to be determined by contractual arrangements and then have applied the index.

Metro is theoretically required to compete on the same terms as the private sector.

How can it if the "playing area" differs between Government and private.

Ideally Metro should operate under the same conditions as the private sector.

Metro receive funding to make up the difference between the fares collected and the operating costs.

The index merely adjust the rate to take account of movements in cost of living.

Yours sincerely



Barry Duckett
MANAGING DIRECTOR